

C O U N C I L C O M M U N I C A T I O N

TO:	THE CITY COUNCIL	COUNCIL MEETING DATE	NO.
FROM:	THE CITY MANAGER'S OFFICE		

SUBJECT: CONSIDER JOINING CALIFORNIA JOINT POWER INSURANCE AGENCY (CJPIA) FOR AUTO-
 PHYSICAL DAMAGE COVERAGE

PREPARED BY: Assistant City Manager

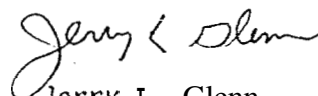
BACKGROUND INFORMATION: Through group purchase arrangements and high deductibles (\$15,000) the City of Lodi can purchase property insurance on selected pieces of equipment. We have self insured this risk before primarily because of the expense involved.

We now have the availability of this insurance at a rate of \$.75 per \$100. The cost of insuring \$2,000,000 of equipment would be \$15,000 per year.

To our best recollection we have never lost a major piece of equipment due to accident or fire. Whether or not we have been fortuitous or the risk is minimal is anyone's guess.

After consultation with our insurance consultant it was determined that we would have to experience a property loss in excess of \$30,000 to make this a **viable** option. Due to the fact we have not had the loss of a major piece of equipment and the fact we do have some reserve funds to replace a major piece of equipment if necessary. It is our recommendation we continue to self insure our vehicles against loss.

Respectfully submitted,



Jerry L. Glenn
Assistant City Manager

JLG:br

TXTA.07A COUNC301

CITY COUNCIL

EVELYN M. OLSON, Mayor
JOHN R. (Randy) SNIDER
Mayor Pro Tempore
DAVID M. HINCHMAN
JAMES W. PINKERTON, Jr.
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CITY OF LODI

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THOMAS A. PETERSON
City Manager

ALICE M. REIMCHE
City Clerk

RONALD M. STEIN
City Attorney

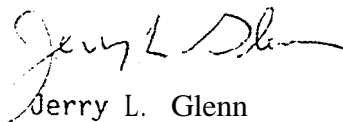
January 8, 1988

Julius Scoggins
CJPIA
450 Main Street, Suite 201
Pleasanton, CA 94566

Dear Julius:

Per the phone call to our office today, this will confirm that the Lodi City Council elected not to join the CJPIA for auto-physical damage coverage.

Yours truly,



Jerry L. Glenn
Assistant City Manager

JLG: br

cc: City Clerk

ACMLTR66